

**Steve Holderby - Vol. I - July 10, 2015**

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1 on-site system.

2 Q But the actual terms and conditions inside that  
3 agreement, that was put together by your legal counsel and  
4 not you?

5 A That's correct.

6 Q And that initial draft that you saw, was that the first  
7 time that you saw any draft of that agreement?

8 A I don't recall but, I mean, based on that time period  
9 that's when it was happening. Like I said, I don't know the  
10 dates, I don't know Friday or Monday. I just know that's  
11 how we correspond.

12 Q Okay. It's my understanding that Spokane Regional  
13 Health District came up with this agreement to resolve the  
14 complaint issue that was filed by the Margitans; is that  
15 right?

16 A We were dealing with the non-conformance system and  
17 based on litigation that was occurring with easements we  
18 chose to delay it until such time that that litigation was  
19 finalized and this is an issue that the Health Officer has  
20 the authority to do.

21 Q Okay. The agreement itself though, that came about  
22 because of the complaint that was filed by the Margitans?

23 A That's correct.

24 Q So this agreement was drafted in response to that  
25 complaint?

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1 A That's correct.

2 Q This agreement was supposed to resolve the issues raised  
3 in that complaint?

4 A That's correct.

5 Q Okay. And this non-conforming septic system interfered  
6 with the easement that belonged to the Margitans. Is that  
7 your understanding?

8 A My understanding is that the easement was present for  
9 ingress/egress and utilities and because it was placed in  
10 the easement it became a non-conforming system and it was a  
11 way of remedying that situation but was putting a hold on it  
12 until litigation was completed.

13 Q But the easement that we're talking about, that was the  
14 Margitans' easement?

15 A That's the one that's on the face of the plat. Yes.

16 Q And when you put this agreement together, what input did  
17 you have from the Margitans on this agreement?

18 A None.

19 Q Did you contact them regarding this agreement?

20 A No.

21 Q Why didn't you?

22 A Maybe subsequently that the agreement had been filed.  
23 I'm not sure what kind of correspondence happened between  
24 our legal counsel and Mr. Margitan after the agreement was  
25 done.